Proposal to change the Civil Aviation Policy

626. SHRI S. PETER ALHPHONSE: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have got any proposal to change the Civil Aviation Policy which was approved on 1.4.1997;

(b) if so, what is the policy for domestic civil aviation of the present Government; and

(c) what is the compulsion that warranted the change of policy in such short duration of time?

THE MINISTER OF CIVIL AVIATION (SHRI C.M. IBRAHIM): (a) to (c) No, Sir, Salient features of the policy on domestic air transport services approved in April, 1997 are annexed as statement (*see* below).

An exercise has been initiated by the Ministry to develop a comprehensive long-term national civil aviation policy, with a perspective of around 10 to 15 years. This will be finalised within 3 months.

Statement

Salient features of New Domestic Air Transport Policy

1. Foreign equity upto 40% and NRI/OCB investment upto 100% would be permitted in the domestic air transport services.
2. Equity from foreign airlines will, however, not be allowed directly, or indirectly, in the domestic air transport services.
3. The existing companies operating in the domestic air transport sector in which equity is held by foreign airlines, directly or indirectly, will be advised to disinvest equity held by foreign airlines, within a period of six months.
4. Barriers to entry and exit from this sector have been removed. There would only be a pre-entry scrutiny of applications to verify the financial soundness, maintenance, security and safety aspects of operations and human resources development proposed to be undertaken by the applicant.
5. Choice of the aircraft type and size be left to the operator.
6. To eliminate non-serious entrepreneurs and to achieve economies of scale, the minimum fleet size for a scheduled operator has been raised from the existing three (3) to five (5) aircraft and the minimum amount of the shareholders funds has been enhanced from existing Rs. 5 crores to Rs. 10 crores for aircraft of all-up-weight below 40,000 kgs and from Rs. 10 crores to Rs. 30 crores for aircraft of all up weight exceeding 40,000 kgs.
7. Total capacity in the air transport sector has been assessed on the basis of trend growth of traffic and projections made for at least a period of five years on annual basis. This information is being widely publicised to enable the entrepreneur to take investment decisions.
8. In the distribution of this predetermined capacity for induction, while preference will be given to Indian Airlines according to its fleet augmentation plan subject to its ability to do so, to meet a share of additional capacity that would emerge each year. The proposals of private operators for induction of capacity would be considered keeping in view the demand, load factor, past track record and financial soundness etc.
9. The present policy of route dispersal guidelines has been retained and is being strictly enforced. According to these guidelines, all scheduled operators are required to deploy in the North-East, Jammu & Kashmir, Andaman Nicobar Islands and Lakshadweep 10% of their capacity deployed on these specified trunk routes.

Present membership of Flying Returns Programme of Indian Airlines and Air India

627. SHRI V. RAJESHWAR RAO:
DR. SHRIKANT RAMCHANDRA JICHKAR:

Will the Minister of CIVIL AVIATION be pleased o state:

(a) what is the present membership of the Flying Returns Programme of Indian Airlines and Air India;

(b) till now how many persons have availed the facility of redeeming their accrued mileage points; and

(c) what steps are being taken to make this scheme more attractive?

THE MINISTER OF CIVIL AVIATION (SHRI C.M. IBRAHIM): (a) The membership of the Flying Returns Programme of Air India and Indian Airlines as on 16th July, 1997 is 58,000 members.

(b) A total of 3749 members have availed of the facility of redeeming accrued mileage points up to now.

(c) The following steps have been taken in this regard :—

(1) Air India has introduced a new system which has simplified the procedure of accrual of mileage points.

(2) Staff strength and infrastructure of the Member Service Centre has been enhanced.

(3) Partnership/Marketing aliiances have been entered into with American express, ITC Welcome Group, Hertz, Car Rental and Global One, whereby members enhance their opportunities to earn mileage points.

(4) Air India has a plan to set up Member Service Centres in other cities in India.

Proposal to acquire 50 seater plane by Indian Airlines

628. SHRI YERRA NARAYANASWAMY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Indian Airlines proposes to acquire 50 seater planes;

(b) if so, the economic rationale behind this move; and

(c) the schedule of acquisition of such 50 seater planes by Indian Airlines?

THE MINISTER OF CIVIL AVIATION (SHRI C.M. IBRAHIM): (a) to (c) Indian Airlines is considering the acquisition of six 50-seater aircraft for deployment on short-haul feeder routes in the priority sector of the North-east and other tourist/business destinations. Some of the stations which were operated by the turbo-prop fleet (HS 748 and F27) of Indian Airlines and Vayudoot are proposed to be connected by these aircraft.

Proposal to improve the new Terminal of Hyderabad Airport

629. SHRI YERRA NARAYANASWAMY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that the new Airport Terminal at Hyderabad is not passenger friendly;

(b) whether it is also a fact that IAAI management has neglected aspects like Telecom facilities, costs, proper planning of floor space;

(c) what steps are proposed to improve the new Terminal of Hyderabad Airport; and

(d) the reasons for neglect?

THE MINISTER OF CIVIL AVIATION (SHRI C.M. IBRAHIM): (a) No, Sir.

(b) The new international terminal building at Hyderabad airport has been commissioned recently in March, 1997. Allotment of space to the telecom department, concessionaires and others is in progress.

(c) and (d) In phase II of the plane for expansion/upgradation of Hyderabad airport, the existing domestic terminal will be modified and facilities like aerobridges, baggage trollies, etc. would be provided to improve the passenger facilities.

Airport Policy

630. SHRI SUNDER SINGH BHANDARI: SHRIMATI JAYAPRADA NAHATA: SHRI GOVINDRAO ADIK

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the details of the proposed Airport Policy;

(b) the projects where private sector investments in airport will be permissible; and